

REVISION C



OSMA Budget Formulation

A handwritten signature in black ink that reads "Bryan O'Connor".

Bryan O'Connor
Associate Administrator for
Safety and Mission Assurance

March 31, 2004

Date

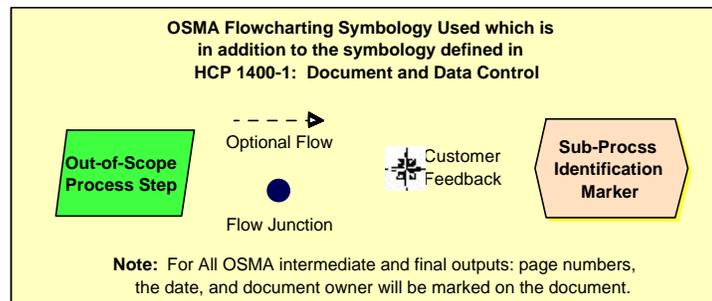
DOCUMENT HISTORY LOG

Status (Draft/ Baseline/ Revision/ Canceled)	Document Revision	Effective Date	Description
Baseline		January 13, 2000	
Revision	A	April 14, 2000	Revisions resulted from DNV Pre-assessment Audit observations. Modified Section 5 flowchart and steps 6.01 (Note), 6.05, 6.08, 6.10, 6.14, 6.16, 6.21, 6.27, 6.38, 6.44, and 6.46; and Appendix D graphic. Added new definition in Section 3.12 (new #) Steps (new # 6.26, 6.36, and 6.45).
	B	February 1, 2002	Changed HOWI Author. Added customer list.
	C	March 31, 2004	Editorial and organizational changes to all sections.

HOWI Author: Q/Paul Boellner

OSMA Staff Member Responsible for this HOWI: Q/Dale Moore

Customers for this HOWI: Internal: AA/SMA, Center SMA Directors
 External: none



1. Purpose

The purpose of this Office of Safety and Mission Assurance (OSMA) Headquarters Office Work Instruction (HOWI) is to document the process of producing OSMA's two key budgetary outputs- the OMB/Congressional budget and the detailed, task-level OSMA operating plan. This HOWI interfaces with and is subordinate to external budget requirements and processes. These external processes and requirements include the overall NASA budget formulation process, and Office of Management and Budget and Congressional requirements. This HOWI also specifies the Quality Records associated with the process.

2. Scope and Applicability

This OSMA HOWI describes the critical formulation process and deliberately includes portions external to OSMA so as to provide context for isolated OSMA activities that are embedded in a primarily non-OSMA segment. As a result, this OSMA HOWI is subordinate to the overall NASA budget formulation process as documented by the Office of the Chief Financial Officer, Code B.

3. Definitions

- 3.1. AA/SMA: Associate Administrator for Safety and Mission Assurance
- 3.2. Budget Year (BY): The appropriations year that a given budget cycle targets. See Appendix C.
- 3.3. Code B: The Office of the Chief Financial Officer. Budget formulation interfaces with Code B are with some combination of the Comptroller and the Resources Analysis Division, Code BR.
- 3.4. Current Year (CY): The year immediately preceding the budget year for a given budget cycle. See Appendix C.
- 3.5. Delegated Program: An OSMA program area whose technical planning and management OSMA has designated to a contact at a Center.
- 3.6. Delegated Program Manager (DPM): The manager of a delegated program. The DPM is responsible for planning and managing the entire NASA-wide effort in this OSMA program.
- 3.7. Fiscal Year (FY): A point or period in time when an event occurs, regardless of what program year funding is involved. The Federal FY is October 1 through September 30. **Note:** Congressional and OMB budget materials (including NASA submissions) traditionally refer to the appropriations year of funding as fiscal year although program year would be consistent with usage outside these documents.
- 3.8. Level 1 Technical Program Plan (TPP): OSMA's overall, long-term direction for a program area. The Level 1 TPP serves as POP guidance for performing Centers to respond against.
- 3.9. Level 2 Center Technical Program Plan (CTPP): The performing Center's specific product proposal that responds to the Level 1 plan. The Level 2 plan covers the full period of performance of the products. (See Appendix B)

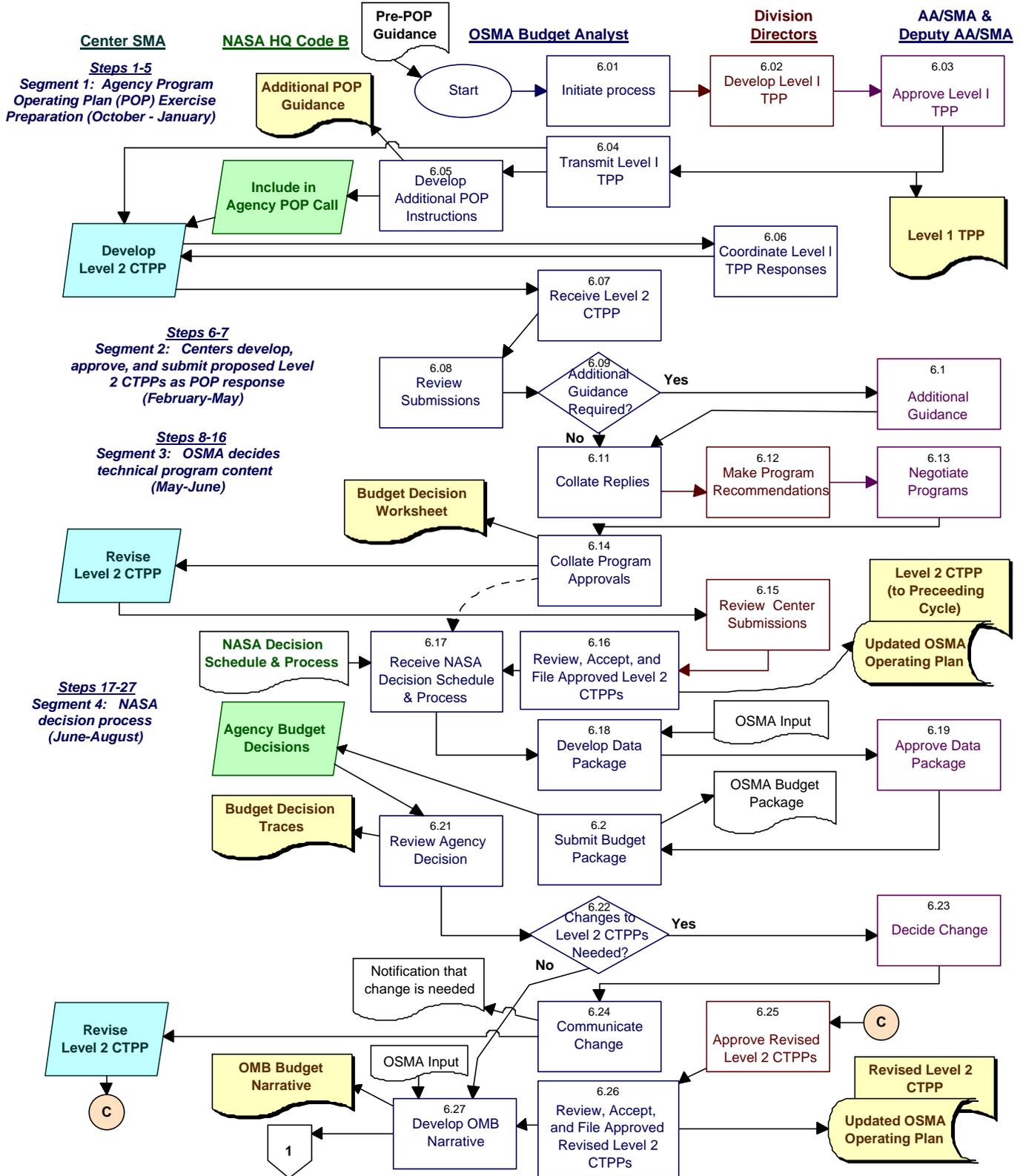
- 3.10. OSMA Operating Plan: The funding requirements of OSMA's approved Level 2 Center Technical Program Plans. The level of detail is the discrete products shown in the Level 2 plans. The Operating Plan is in the form of a spreadsheet or spreadsheet-like data system print. When there is a discrepancy between Level 2 plans and the Operating Plan, the Operating Plan takes precedence.
- 3.11. Prior Year (PY): The second year preceding the Budget Year for a given budget cycle. See Appendix C.
- 3.12. Program Coordinator (PC): The OSMA person responsible for technical planning and management of a specific program area.
- 3.13. Program Operating Plan (POP): NASA's budget formulation exercise.
- 3.14. Program Year (PY): The year funds are appropriated, regardless of when activity occurs against them. **Note:** Congressional and OMB budget materials (including NASA submissions) traditionally refer to the appropriations year of funding as fiscal year although program year would be consistent with usage outside these documents.

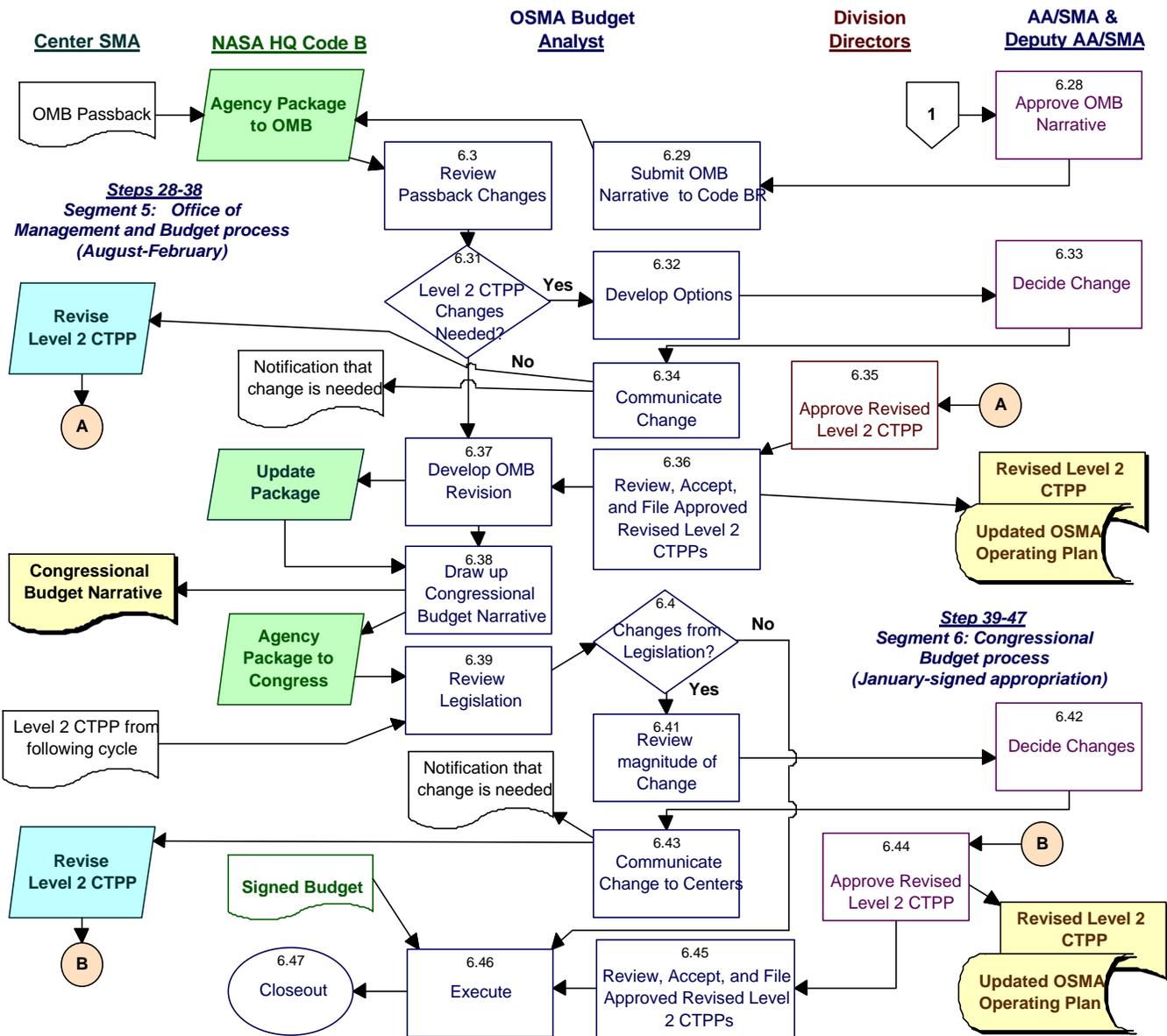
4. Reference Documents

The documents listed in this section are used as reference materials for performing the processes covered by the Quality Management System (QMS). Since all NASA Headquarters Level 1 (QMS Manual) and Level 2 (Headquarters Common Processes) documents are applicable to the QMS, they need not be listed in this section unless specifically referenced in this OSMA HOWI.

- 4.1. [HOWI 7410-B001: Budget and Performance Plan Formulation](#)

5. Flowchart





6. Procedure

NASA's budget formulation process begins almost 2 years before the start of the targeted Budget Year, so two overlapping planning cycles are almost always under way, and feedback from one cycle often causes changes in the other. OSMA's OMB and Congressional outputs of the process are directed at the Budget Year, while OSMA's Operating Plan, developed in the same cycle, targets the Current Year of the cycle. OMB and Congressional action from one cycle feeds back into OSMA decisions for the following cycle. All dates are approximate and for guidance only; the actual dates will be published in NASA's budget schedule.

Segment 1: Agency Program Operating Plan (POP) Exercise Preparation (October – January)

6.01 OSMA Budget Analyst (BA) Initiate Process:

Request Level 1 Technical Program Plans (TPP) from Divisions.

Note: Pre-POP guidance, which may include any of verbal direction, e-mail, informal documents, or formal guidance may be received from various sources which may include Code B, the Administrator, OMB, etc. This guidance can include official or informal guidance and thoughts, formal direction, or interpretations of conversations held with other NASA Senior Management Officials.

6.02 Division Directors and OSMA Program Coordinators Develop Level I Plan:

The Division Directors (DD), Delegated Program Managers (DPMs), and Program Coordinators (PC) develop/update/review Level 1 SMA Technical Program Plans (TPP) (October-December).

6.03 Associate Administrator for Safety and Mission Assurance (AA/SMA) Approve Level I Plan:

The AA/SMA and the Deputy AA/SMA review and approve Level 1 TPPs. Approval is shown by the BA's note and initials on the Quality Record copy.

6.04 BA Transmit Level I Plan:

The approved Level 1 TPPs are provided as an advance copy to Center SMA organizations (January) in advance of the formal Program Operating Plan exercise

The Center SMA organizations begin advance work on Level 2 Center Technical Program Plans (January).

6.05 BA Develop Additional POP Instructions:

The OSMA BA reviews NASA budget guidance and develops additional OSMA instructions for POP package as a Quality Record.

The Level 1 TPPs and additional instructions are submitted to Comptroller for inclusion in integrated Agency POP call (end of January).

The Comptroller sends integrated Agency POP call (includes OSMA Level 1 TPPs and additional instructions) to Center Directors (March).

Segment 2: Centers Develop, Approve, and Submit Proposed Level 2 CTPPs as POP Response (February-May)

6.06 PC & DD Assist Level I Plan Responses:

The Center Directors distribute POP call to responding organizations.

The Center Program Managers develop proposals based on Level 1 TPPs.

The BA performs consultation with OSMA PC, OSMA DD, and Center SMA Directors

Center SMA Budget contacts and Program Managers coordinate and develop proposal requirements and resources (contractor and civil service staffing, service pool, and G&A requirements, etc) on Center.

Center SMA Budget contacts draw up summary data for Center response.

Center SMA Director approves proposed Level 2 CTPPs and summary data.

Center Director approves Level 2 CTPPs and summary data.

6.07 BA Receive Level 2 Plans:

Center Director submits proposed Level 2 CTPPs and summary data to Institutional Program Officers (IPO) who forward to the OSMA BA (mid-May). Additionally, the Center SMA Director sends Center Director-approved data direct to OSMA (mid-May). This results in two transmission routes for the same data.

Segment 3: OSMA decides technical program content (May-June)

6.08 BA Review Submissions:

The OSMA BA receives POP submissions from Center Director and Center SMA Directors (mid-May). The BA reviews the replies for overall issues and compliance with OSMA budget guidance provided in Step 6.05 to identify areas where the Center budget submissions either do not comply with the guidance provided in Step 6.05 or are raise issues not anticipated in the Step 6.05 guidance. The BA determines which of the areas, if any, identified need additional guidance for DD review.

6.09 BA Additional Guidance Required?

If BA identified determines that additional guidance is needed, the AA/SMA and/or Deputy AA/SMA is contacted.

6.10 Deputy AA/SMA Additional Guidance:

The AA/SMA and/or Deputy AA/SMA provides additional guidance needed for DD review.

6.11 BA Collate Replies:

The BA collates replies and transmits AA/SMA and/or Deputy AA/SMA program guidance, Center responses, and decision worksheets to Divisions.

6.12 DD Make Program Recommendations

The Divisions make program recommendations.

6.13 AA/SMA, Deputy AA/SMA, and DDs Negotiate Programs:

The AA/SMA, Deputy AA/SMA, and the DDs meet to negotiate program approvals.

6.14 BA Collate Program Approvals:
The OSMA BA collates program approvals, updates operating plan, and transmits to Centers (two opportunities in the POP process - early June or early August). The Budget Decision Worksheet is filed as a Quality Record.

Centers revise Level 2 Center Technical Program Plans (CTPP) to the OSMA decisions and return updated plans to OSMA BA. Center update financial systems data based on OSMA program decisions.

6.15 DD and PCs Review Center Submissions:
OSMA PC reviews the Center submissions with their respective DD. At the end of the review, the redlined-reviewed Level 2 CTPPs are approved and signed by the DD and PC.

6.16 BA Review, Accept, and File Approved Level 2 CTPPs:
OSMA BA reviews approved Level 2 CTPPs for correct resources data and appropriations integrity as well as document completeness. The Program Coordinator will be asked to assist in the correction of any issues found. When there are no issues remaining, the OSMA BA accepts the Level 2 CTPP, initials, dates, and files it. Approved (and accepted) Level 2 CTPPs are handed off to the preceding budget planning cycle and filed as a Quality Record.

Segment 4: NASA Decision Process (June-August)

6.17 BA NASA Decision Schedule:
The OSMA BA receives NASA decision process, schedule, and data requirements from NASA management. The information is briefed to the AA/SMA, Deputy AA/SMA, DDs and the OSMA staff.

6.18 BA Develop Data Package:
The OSMA BA develops data package with input from OSMA staff. The final package is forwarded to the AA/SMA for approval.

6.19 AA/SMA & Deputy AA/SMA Approve Data Package:
The AA/SMA and the Deputy AA/SMA approve data package. Approval is indicated by the OSMA BA initialing and dating the package.

6.20 BA Submit Budget Package:
OSMA BA submits budget package to Comptroller (early July).

NASA management decides budget allocations (early August).

6.21 BA Review Agency Decision:
OSMA BA reviews Agency decisions and resolves effects of any changes in the OSMA Budget Plan. BA documents any changes, decisions, guidance, etc., in the decision traces and documentation is filed as a Quality Record.

- 6.22 BA Changes to Level 2 CTPPs Needed?
BA reviews plans to see if the Agency decisions force changes in any Level 2 CTPPs.
- 6.23 OSMA Management Decide Change:
OSMA management decides changes.
- 6.24 BA Communicate Change:
The OSMA BA updates the operating plan and communicates required changes to affected Centers.
Centers revise Level 2 CTPPs and return to OSMA.
- 6.25 DD & PCs Approve Revised CTPPs:
OSMA PCs and their respective DD review, sign, and approve the Level 2 CTPPs.
- 6.26 BA Review, Accept, and File Approved Revised Level 2 CTPPs:
OSMA BA reviews approved Level 2 CTPPs for correct resources data and appropriations integrity as well as document completeness. The PC will be asked to assist in the correction of any issues found. When there are no issues remaining, the OSMA BA accepts the Level 2 CTPP, initials, dates, and files it as a Quality Record. Approved (and accepted) Level 2 CTPPs are handed off to the preceding budget planning cycle.
- Note: Steps 6.22 – 6.26 are not serial steps and do not need to be completed before additional activities begin.*

Segment 5: Office of Management and Budget process (August-February)

- 6.27 BA Develop OMB Narrative:
The OSMA BA develops OMB narrative from Agency and Level 2 budget decisions, Center data, and AA/SMA, Deputy AA/SMA, and DD inputs and files it as a Quality Record.
- 6.28 AA/SMA Approve OMB Narrative:
The AA/SMA approve OMB narrative. OSMA BA indicates approval by dating and initialing the narrative.
- 6.29 BA Submit OMB Narrative to Code BR:
The OSMA BA submits narrative to Code BR and begins an iterative revision process between Code BR and OSMA.
- Code BR submits NASA package to OMB (early September).*
- OMB issues passback guidance. OMB may issue passback guidance several times between OMB budget submission in September and Congressional budget submission in February.*
- NASA Comptroller allocates passback changes to program offices (including OSMA).*

- 6.30 BA Review Passback changes:
BA reviews plans to see if the passback changes force changes in Level 2 CTPPs.
- 6.31 BA Level 2 CTPP Changes Needed?
Yes or No.
- 6.32 BA Develop Options:
OSMA BA reviews magnitude of change to OSMA and any supplementary guidance, and submits options to AA/SMA and Deputy AA/SMA.
- 6.33 OSMA Management Decide Change:
OSMA management decides changes.
- 6.34 BA Communicate Change:
The OSMA BA updates the Operating Plan and communicates required changes to affected Centers.
Centers revise Level 2 CTPPs and return to OSMA.
- 6.35 PC and DD Approved Revised CTPPs:
OSMA PC and DD review, sign, and approve revised CTPPs.
- 6.36 BA Review, Accept, and File Approved Revised Level 2 CTPPs:
OSMA BA reviews approved Level 2 CTPPs for correct resources data and appropriations integrity as well as document completeness. The PC will be asked to assist in the correction of any issues found. When there are no issues remaining, the OSMA BA accepts the Level 2 CTPP, initials, dates, and files it as a Quality Record. Approved (and accepted) Level 2 CTPPs are handed off to the preceding budget planning cycle.
Note: Steps 6.32 – 6.36 are not serial steps and do not need to be completed before additional activities begin.
- 6.37 BA Develop OMB Revision:
OSMA BA draws up revisions in OMB-required format. The OSMA revision data submitted to Code BR for transmission to OMB.

Segment 6: Congressional Budget Process (January-signed appropriation)

- 6.38 BA Draw up Congressional Budget Package
The OSMA BA draws up Congressional budget package from OMB submission and other data and files it as a Quality Record. This begins an iterative revision process between Code BR and OSMA.

Code BR submits NASA package (late January).

Congress develops, debates, and enacts appropriations legislation.

- 6.39 BA Review Legislation
Review if legislation is changed from request to see if it affects Level 2 CTPPs received from the following process.
- 6.40 BA Changes from Legislation?
If no, skip to step 6.46. If yes then the Level 2 CTPPs affected are those received from the FOLLOWING rather than current process.
- 6.41 BA Review Magnitude of Change:
The OSMA BA reviews magnitude of change to OSMA and any supplementary guidance, and submits options to AA/SMA and Deputy AA/SMA.
- 6.42 AA/SMA Decide Changes:
OSMA management decides changes.
- 6.43 BA Communicate Change to Centers
The OSMA BA updates the Operating Plan and communicates required changes to affected Centers.

Centers revise Level 2 CTPPs and resubmit.

- 6.44 PC and DD Approve Revised Plans:
OSMA PC and DD review, sign, and approve revised plans and files it as a Quality Record.
- 6.45 BA Review, Accept, and File Approved Revised Level 2 CTPPs:
OSMA BA reviews approved Level 2 CTPPs for correct resources data and appropriations integrity as well as document completeness. The PC will be asked to assist in the correction of any issues found. When there are no issues remaining, the OSMA BA accepts the Level 2 CTPP, initials, dates, and files it as a Quality Record.
- Note: Steps 6.40 – 6.45 are not serial steps and do not need to be completed before additional activities begin.*

President signs HUD/VA/Independent Agencies appropriations bill.

- 6.46 BA Execute
OSMA receives the signed budget and then executes the budget (October) to Level 2 CTPPs and OSMA Operating Plan.
- 6.47 BA Closeout:
The process is closed out for this planning cycle.

7. Quality Records

Record ID	Owner	Location	Media Electronic /hardcopy	Schedule Number & Item Number	Retention & Disposition
Level 1 TPP	OSMA Budget Analyst	OSMA BA Budget Preparation binder	Hardcopy	Schedule: 7 Item: 7.22	Keep only latest version for a minimum 3 years past execution then destroy
Additional POP Guidance	OSMA Budget Analyst	OSMA BA Budget Preparation binder	Hardcopy	Schedule: 7 Item: 7.22	Keep only latest version for a minimum 3 years past execution then destroy
Budget Decision Worksheet	OSMA Budget Analyst	OSMA BA Budget Preparation binder	Hardcopy	Schedule: 7 Item: 7.21.G.2	Minimum 1 years past execution then destroy
Level 2 CTPPs (to preceding cycle)	OSMA Budget Analyst	OSMA BA Standalone binder	Hardcopy	Schedule: 7 Item: 7.22	Keep until revised or for a minimum 3 years past execution then destroy
Updated OSMA Operating Plan	OSMA Budget Analyst	OSMA Server (U:/QALL/Budget/Current Budget Materials)	Electronic, with periodic history printouts	Schedule: 7 Item: 21.G.1	Electronic- 2 years past execution then delete. History printouts- minimum 10 years past execution then transfer to FRC, then transfer to NARA when 20 years old
Budget Decision Traces	OSMA Budget Analyst	OSMA BA Budget Preparation binder	Hardcopy	Schedule: 7 Item: 7.22	Keep only latest version for a minimum 3 years past execution then destroy

Record ID	Owner	Location	Media Electronic /hardcopy	Schedule Number & Item Number	Retention & Disposition
Revised Level 2 CTPPs	OSMA Budget Analyst	OSMA BA Standalone binder	Hardcopy	Schedule: 7 Item: 7.22	Keep only latest version for a minimum 3 years past execution then destroy
OMB Budget Narrative (Only OSMA portion retained)	OSMA Budget Analyst	OSMA BA Budget Preparation binder	Hardcopy	Schedule: 7 Item: 7.22	Keep only latest version for a minimum 3 years past execution then destroy
Congressional Budget Narrative (Only OSMA portion retained)	OSMA Budget Analyst	OSMA BA Budget Preparation binder	Hardcopy	Schedule: 7 Item: 7.22	Keep only latest version for a minimum 3 years past execution then destroy

Appendix A: Supplemental Background Information

CUSTOMERS	REQUIREMENTS	OUTPUTS
President, OMB, and Congress	Justified budget requirements conforming to Administration guidance	OMB and Congressional budget packages
NASA Comptroller	Justified budget requirements conforming to NASA guidance	OMB, Congressional, and NASA decision packages; supporting data
OSMA Program Stakeholders	Adequate program budget	Successfully developed, defended, and appropriated budget
AA/SMA, Deputy AA/SMA, and Division Directors	Opportunity to develop and plan technical program content	Level 2 Center Technical Program Plans and Level 2A Annual Program Plans
AA/SMA	Adequate SMA program (technical content and budget) to meet SMA Strategic Plan requirements	Adequate Agency budget allocated to appropriate technical programs

RESOURCES:

- Policy guidance from Administrator and Comptroller
- Process guidance from Comptroller
- Program guidance from AA/SMA and Deputy AA/SMA
- Division Director, Delegated Program Manager, and HQ Program Coordinator staff time
- OSMA resources staff time
- Prior year's OMB and Congressional budget packages
- Agency fiscal reports
- Center SMA Budget contact responses to formal and *ad hoc* inquiries

GOALS:

- OSMA develops and successfully defends an adequate program budget
- Process causes minimal administrative burden (subject to constraints of external requirements)
- Decisions are traceable and documented
- Centers understand OSMA program approvals

Appendix B: Level 2 CTPP Contents and Description

Data required for the Level 2 Center Technical Program Plan (CTPP) includes:

1. Requesting Center
2. OSMA program area (Level 1 TPP) the proposal responds to
3. Center technical contact
4. Title and full description of products, including quality measures if appropriate
5. Products' intended uses and customers
6. Products' links to strategic planning and customer needs
7. Technical approach
8. Schedule and milestones- The schedule includes delivery dates, milestones, and management decision points. It is detailed at least for the immediately upcoming year to allow for review and progress assessment. If the outyear data is inadequate for review and progress assessment, then the plan must be updated annually.
9. Resources required over the life of the effort, broken by Program or Fiscal Year and product. Resources include OSMA funding (this serves as the budget request), estimated civil service and contractor staffing, and any collateral funding, internal or external to NASA. Resources must be structured consistent with NASA appropriations structure at the time (full cost, business as usual, semi-full cost, etc).

Plan detail should be commensurate with the size of the effort. Proposers should avoid lengthy boilerplate narratives and focus on the core data. Plans may include more than one product, but resources must be assigned to individual end products. Plans should be developed in a relatively simple word processor format so they can be transmitted as one electronic file.

Appendix C: Supplemental Information: Dates and Nomenclature for Budget Cycles

Names for years in a given budget cycle

Title	Prior Year	Current Year	Budget Year	Budget Year + 1	Budget Year + 2	Budget Year + 3	Budget Year + 4
Abbreviation	PY	CY	BY	BY+1	BY+2	BY+3	BY+4

Note: the POP that plans a given budget year is identified as POP(prior year).

Examples for Several Budget Cycles:

Budget Cycle to Plan Appropriations (OMB and Congressional outputs)Year:	POP is titled:	OSMA Operating Plan year being developed is:	Prior year for the cycle is:	Current year for the cycle is:	Budget year for the cycle is:	BY+1 for the cycle is:	BY+2 for the cycle is:	BY+3 for the cycle is:	BY+4 for the cycle is:
2002	POP-00	2001	2000	2001	2002	2003	2004	2005	2006
2003	POP-01	2002	2001	2002	2003	2004	2005	2006	2007
2005	POP-03	2004	2003	2004	2005	2006	2007	2008	2009

Calendar date examples:

Date is:	Budget Cycles underway for BYs:	POP underway is:	BY for POP is:	OSMA Operating Plan being developed is:	OMB action underway for BY:	Congressional action under way for BY:	Current Fiscal Year is:	Funding under execution is:
April 2000	2001, 2002	POP 00	2002	2001	none	2001	2000	PY 1999 PY 2000
Nov 2000	2002, maybe 2001	none (POP 00 finished)	none	none	2002	Continuing resolution for 2001?	2001	PY 2000 PY 2001
January 2001	2002, 2003	Prepare for POP 2001	2003	Prepare for 2002	2002 finishing up	none (2002 starts in February)	2001	PY 2000 PY 2001

Appendix D: Budget Cycle Schematic for Handoff of Level 2 CTPPs

